

SECURITY INFORMATION

13 March 1952

MEMORANDUM FOR: THE RECORD

SUBJECT : Russian lend-lease vessels

REFERENCE : Memorandum of Lawrence R. Houston, dated
April 17, 1951, re Admiralty cases

1. With the concurrence of Mr. Houston, today I followed up his previous conversation with Mr. Michael H. Cardozo of the Legal Adviser's Office, Department of State, concerning the question of title to the lend-lease vessels now in possession of the USSR.

2. Mr. Cardozo reaffirmed his opinion that the United States government has title to the vessels which can be transferred to private individuals. He said that the Russians had not claimed title, but merely asserted that the U. S. had given the British a better deal than we were offering them. They have returned some of the vessels which were subject to the same provisions of the lend-lease act as those which they have retained. He was not certain of the legal requirements which would have to be met in transferring the vessels to private individuals, but thought that the transaction would be handled by the Maritime Administration.

3. He mentioned that the United States had agreed at one time to sell the vessels to the USSR, conditioned on a "prompt" over all settlement of lend-lease accounts. Although the USSR feels that the time for "prompt" action has not expired, the United States feels otherwise, and has demanded return of the vessels.

4. Mr. Cardozo informed me that in some instances the United States may have given the USSR evidence of title to the vessels transferred under the lend-lease agreement, so that the vessels could passthrough a Japanese blockade. However, Mr. Cardozo felt that despite any such documentary "evidence" of title which the Russians might have, the record is clear that the United States has title and a right to the vessels.

5. Mr. Cardozo is obtaining for us the following information concerning the vessels:

a. Sections of the lend-lease agreement which govern the return of the vessels,

b. A review of title transactions and vessel documentation prior to transfer to the USSR,

c. type

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c. type of document exchanged for the vessels at the time of transfer, and

d. a brief study of controlling acts and the procedure for transferring title from the United States to a private corporation.

6. He felt that the idea of having a private corporation attempt to repossess the vessels was a good one, as it eliminated the legal problems involved in a suit by one government against another, but thought that the Russian Government would claim sovereign immunity in any event.

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Distribution: 25X1A

Orig. & 1 cc - [redacted]
cc - C-PY ([redacted])
cc - General Counsel (Houston)

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ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM: 25X1A



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DATE

March 14 1952

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